

Florida Department of Transportation 2016 Performance Report

Economy

Economic Competitiveness and Growth

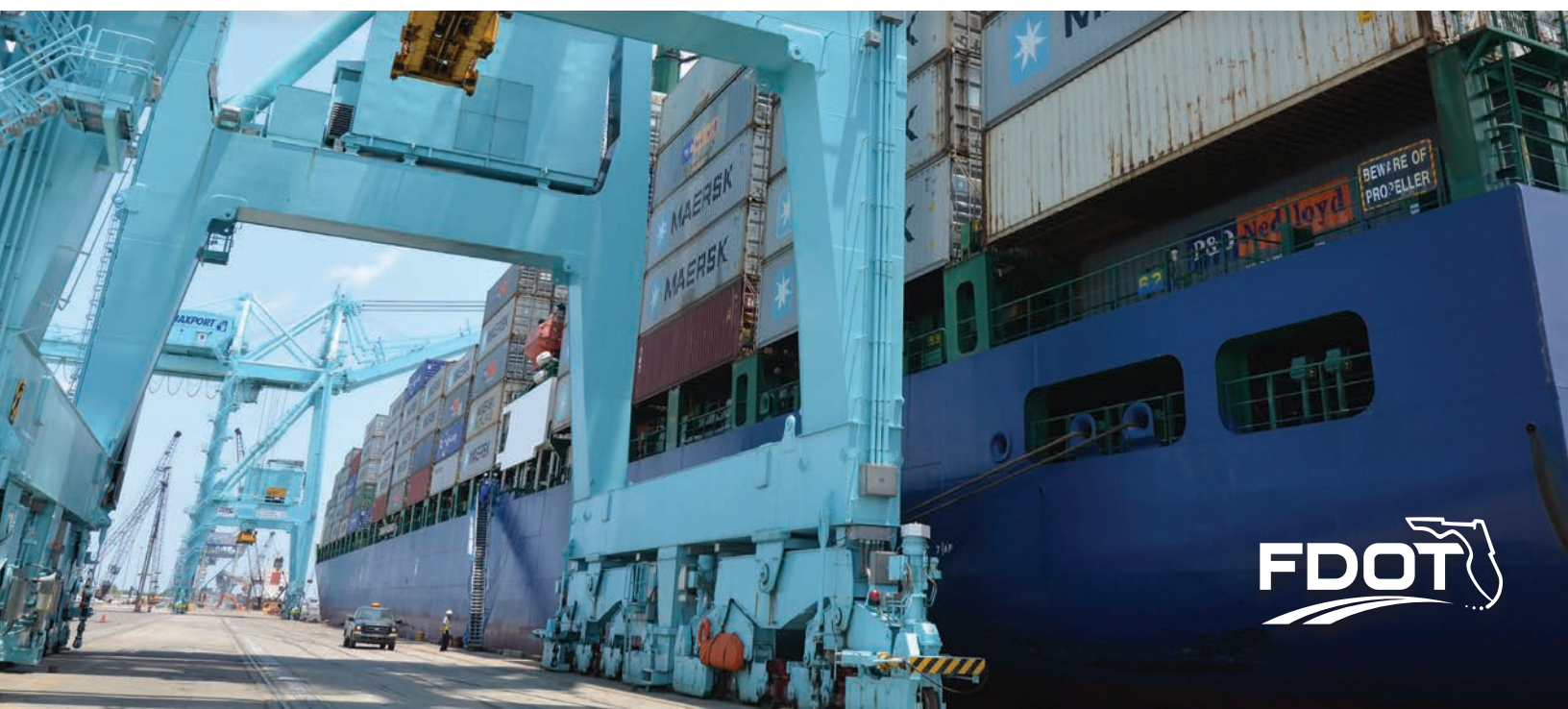


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ECONOMY

This report is part of the Florida Department of Transportation's (FDOT) Performance-Based Planning and Programming Process. For a description of that process, updates to this report and other FDOT transportation performance reporting initiatives, go to FDOTPerforms.org.

INTRODUCTION

Investments in Florida's transportation assets are investments in the backbone of the state's economy.

Because transportation is key in supporting economic competitiveness, the Florida Department of Transportation (FDOT) strives to meet the dynamic mobility and access needs of businesses, residents, and visitors. Investments in Florida's transportation assets are investments in the backbone of the state's economy. As travel demand increases and changes, Florida continues to improve the management and operation of our multimodal transportation system.

Vibrant economies, like Florida's, rely on responsive transportation systems that satisfy user needs. Our road and bridge network is key to moving people and goods every day. Public transportation provides essential mobility for many, and is a transportation choice that strengthens communities. Our aviation facilities are a part of an economy that functions in real time to rapidly move both people and goods—domestically and across the globe. And our seaports and spaceports are a strategic cornerstone to Florida's place in a global economy. Freight movement—all modes—has become an increasingly important component of a fiercely competitive logistics driven economy. Providing facilities for walking and bicycling also bolsters community mobility, vibrancy, and public health—strengthening local economies.

Diversity is another strength of Florida's transportation system. The Strategic Intermodal System (SIS) provides connectivity across modes and facilitates efficient long distance travel for people and goods. Conversely, non-SIS transportation facilities serve many vital transportation functions while meshing with community mobility needs.

FDOT's core measures of economic competitiveness include the return on investment (ROI) of transportation improvements and the percentage of construction projects completed on-time and on-budget.

2016 PERFORMANCE HIGHLIGHTS

Supporting Florida's economic competitiveness is an FDOT priority. Key performance highlights include:

- The impact of FDOT's work program investments is a robust \$4.40 in user and economic benefits for every dollar spent—in addition to direct construction employment, transportation improvements support thousands of long-term jobs.
- Florida's exports declined 8 percent over the prior year, while U.S. exports declined slightly less by 7.2 percent. Exporting relies heavily on our multimodal transportation system.
- Florida's trade declined 4 percent over the prior year, while U.S. trade declined by 5.7 percent. This impacts Florida's economy since trade helps to fuel growth, support jobs, and diversify the state's economy. Transportation underpins trade.
- Florida's total value of freight shipments increased over 11 percent from \$929.9 billion in 2014 to more than \$1 trillion in 2015.
- The number of annual visitors to Florida has steadily increased to nearly 110 million—a 35.6 percent increase over the past six years. Tourism relies heavily on a convenient and reliable transportation system. Economists estimate tourism accounts for 10% of Florida's GDP.
- Over 85 percent of FDOT's construction projects were completed on-time, minimizing any delay of the associated economic benefits.
- Ninety-two (92) percent of FDOT's construction projects were completed within budget, allowing more project investments to be made along with the associated economic benefits.

Florida Freight Mobility and Trade Plan

The Florida Freight Mobility and Trade Plan's goals are aimed at supporting economic growth and economic competitiveness. Strategies include:

- Collaboration of economic development and logistics programs
- Improving transportation operational efficiency
- Aligning public and private efforts
- Developing a balanced multimodal transportation planning and investment model
- Encouraging FDOT's consideration of the supply chain and freight movement issues



FLORIDA TRANSPORTATION PLAN



The Florida Transportation Plan (FTP) is Florida's long range transportation plan for meeting the dynamic mobility needs of residents, businesses, and visitors. FDOT's Economy Performance Report aligns with the FTP goal:

- *Transportation Solutions that Support Florida's Global Economic Competitiveness*

This report highlights the core and supporting performance measures related to this FTP goal, and other transportation plans and programs.



FTP Goal: *Transportation Solutions that Support Florida's Global Economic Competitiveness*

FTP Objectives

Provide transportation infrastructure and services to support job growth in transportation-dependent industries and clusters

Increase transportation connectivity between Florida's economic centers and regions

Increase transportation connectivity between Florida and global and national trading partners and visitor origin markets

Increase the number of skilled workers in Florida's transportation-related industries

Related Performance Report Measures



CORE MEASURE

Return On Investment



CORE MEASURE

Construction Projects Completed On-Time



CORE MEASURE

Construction Projects Completed Within Budget






SUPPORTING MEASURES

- *Capacity Funds for the SIS*
- *Florida-Originating Exports*
- *Florida Share of US Trade*
- *Florida Value of Freight*
- *Florida Jobs by Transportation-Intensive Sectors*
- *Florida Visitors*

ECONOMY

FDOT has a set of core and supporting measures related to how Florida's transportation system contributes to the state's economic competitiveness. Economy, as a broad measure, encompasses several non-transportation measures that impact transportation and are impacted by transportation, such as Florida's share of U.S. trade. FDOT also uses several transportation specific measures that demonstrate its contribution to economic prosperity. FDOT and other transportation system operators primarily support economic competitiveness by providing access, mobility, and travel options. Below are the core measures and supporting measures related to Florida's economic competitiveness:

CORE MEASURES

-  Return on Investment (ROI)
-  Construction Projects Completed On-Time
-  Construction Projects Completed Within Budget

SUPPORTING MEASURES

-  Capacity Funds for the SIS
-  Florida-Originating Exports
-  Florida Share of U.S. Trade
-  Florida Value of Freight
-  Florida Jobs by Transportation-Intensive Sector
-  Florida Visitors

The Eller Drive Overpass Project

The Eller Drive Overpass Project in Fort Lauderdale received an America's Transportation Award for projects that improve travel safety, reduce roadway congestion, and provide more travel options. This competition was sponsored by the American Association of State Highway and Transportation Officials (AASHTO), AAA Motor Club, and the U.S. Chamber of Commerce.

FDOT's \$42.5 million investment improved traffic flow, safety and inter-modal connectivity. The new bridge provides a grade separation for rail freight at the main access roadway into Port Everglades, reducing traffic congestion. It also allows uninterrupted travel to and from the port's cruise and container terminals, and is an integral connector for cruise passenger traffic between Ft. Lauderdale/Hollywood International Airport and Port Everglades.



RETURN ON INVESTMENT



Every \$1 invested through FDOT's Work Program generates approximately \$4.40 in economic benefits.

FDOT analyzes Return On Investment (ROI) for its Transportation Work Program and for some individual projects. Transportation benefits are compared to project costs. Benefits are most often expressed in terms of cost and time savings for Florida's businesses, workers and consumers. The intent of ROI is to help identify projects with benefits well in excess of their costs.

For every \$1 invested through FDOT's Work Program, an estimated \$4.40 in economic benefits is generated (**Figure 1**).

Figure 1: Benefit-Cost Summary of FDOT Work Program
(in present value per dollar invested)

BENEFITS	
Personal Income Benefits	\$76.00
Non-Business User Benefits	\$65.70
Total Benefits	\$141.70
COSTS	
Total Costs	\$32.10
Benefit-Cost Ratio	\$4.40

SOURCE: Florida Department of Transportation; Macroeconomic Analysis of Florida's Transportation Investments (January 2015)

Project Level Return on Investment (ROI) Analysis

A proposed project in Sanford, Florida to construct a multimodal bridge allowing faster and safer passage of vehicles over the rail lines used by Amtrak and CSX was analyzed using ROI. The analysis estimated a Benefit Cost Ratio of 1.3. In other words, the proposed project would generate benefits greater than the investment cost.

- The benefits were primarily associated with eliminating at-grade vehicle delays at the rail crossings.
- Other benefits include improved emergency response times and accident prevention.

Discounted Project Benefits	
Benefits to Vehicle	\$2.8M
Travel Time	
Vehicle Op	
Reduced En	
Benefits to Vehicle	\$2.6M
Travel Time	
Vehicle Op	
Reduced En	
TOTAL DISCOUNTED BENEFITS	\$13.3M
Discounted Project Costs	
Capital Costs	\$10.3M
Incremental Operating & Maintenance Costs	\$0.03M
TOTAL DISCOUNTED COSTS	\$10.3M
Summary Indicators	
BENEFIT COST RATIO (BCR)	1.3
Overall Rate of Return	6.1%

Capacity Funds for the SIS

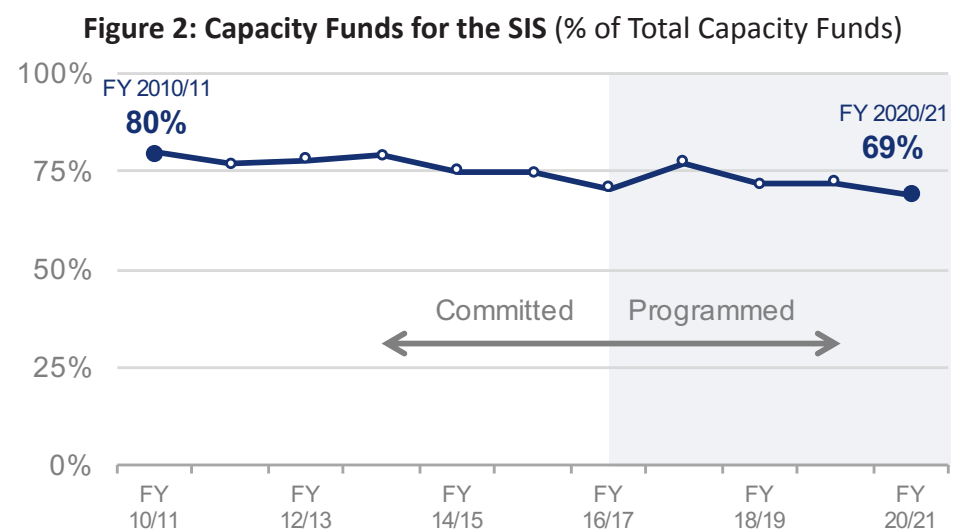


The Strategic Intermodal System (SIS) is Florida's primary network for ensuring a strong link between transportation and economic competitiveness. The SIS is a network of high priority transportation facilities, including the largest and most significant commercial service airports, spaceports, public seaports, freight rail terminals, interregional passenger rail and intercity bus terminals, rail corridors, urban-fixed guideway transit corridors, waterways, and highways.

SIS facilities carry more than 99 percent of Florida's commercial air passengers and cargo, virtually all of the state's waterborne freight and cruise passengers, all rail freight, and 89 percent of all interregional passengers. The SIS also carries more than 73 percent of Florida truck traffic and 56 percent of the traffic on the State Highway System. SIS improvements also leverage extensive private and local investment—indicative of the importance of these facilities to communities and business.

State law (Section 339.135, F.S.) directs FDOT to allocate at least 50 percent of new discretionary highway capacity funds to the SIS. FDOT has set a target to allocate up to 75 percent of new discretionary capacity funds to the SIS. Figure 2 shows FDOT's performance, consistently exceeding the statutory target of 50 percent.

Of the \$15.1 billion of SIS capacity funding in FDOT's 2016/17 to 2020/21 Work Program, \$14.1 billion has been programmed for highway improvements, \$360.9 million for aviation and spaceports, \$327.9 million for seaports, \$283.3 million for rail, \$8.6 million for multimodal projects, and \$45.1 million for transit capacity projects.



SOURCE: Florida Department of Transportation, Office of Policy Planning

Florida-Originating Exports

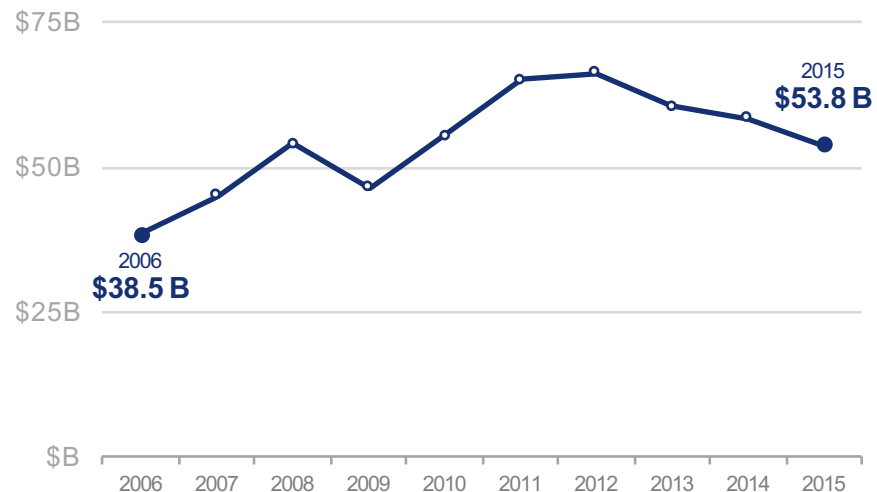


Florida-originating exports measure the value of merchandise grown, mined, manufactured, assembled or otherwise had value added in Florida. Exporting and transportation are inextricably linked, which is why FDOT pays attention to this measure. **Figure 3** shows that Florida exports increased between 2006 and 2012 from \$38.5 to \$66.2 billion. However, exports began to decline thereafter, down to \$53.8 billion in 2015. While Florida exports decreased 8 percent over the prior year, nationally exports declined 7.2 percent.

Even with these recent declines in exports, Florida's overall economic growth underscores the importance of the state's surface transportation system connecting goods with seaports, airports, rail terminals, and other hubs. Exports, interstate and intrastate shipments and the jobs associated with each, rely on a high quality, reliable transportation system.

Florida's exports declined 8 percent over the prior year, while U.S. exports declined slightly less by 7.2 percent.

Figure 3: Florida-Originating Exports (billions)



SOURCE: Florida International Business Highlights: Merchandise Trade, Florida-Origin Exports, Foreign Investments

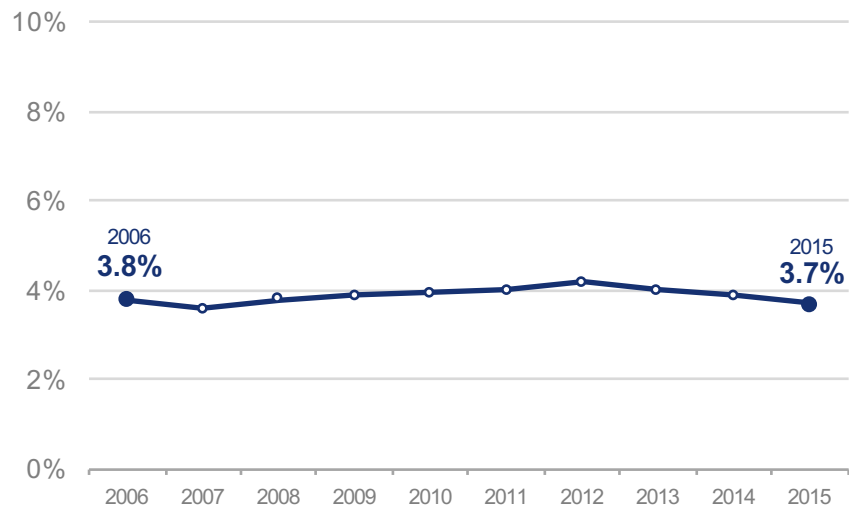
Florida Share of U.S. Trade



Trade plays a fundamental role in Florida's economy by fueling growth, supporting jobs, and diversifying the economic infrastructure. **Figure 4** shows that Florida's overall share of U.S. trade grew every year between 2007 and 2012, but has returned to its 2008 level. Despite the three year decline, Florida has a notable share of U.S. trade, which is significant given the size of the U.S. economy. While Florida's trade declined 4 percent over the prior year, U.S. trade declined by 5.7 percent.

Florida's trade declined 4 percent over the prior year, while U.S. trade declined by 5.7 percent.

Figure 4: Florida Share of U.S. Trade



SOURCE: Florida International Business Highlights: Merchandise Trade, Florida-Origin Exports, Foreign Investments

Florida Trade and Logistics Study 2.0

The Florida Chamber is working with its partners to position Florida as a global hub to:

- Move more trade through Florida's sea and air gateways.
- Make, grow, and refine more products for export from Florida.
- Multiply the impacts of global trade, by providing value-added services to trading businesses in Florida and trading partners around the world, and by expanding Florida's role as a global hub for visitors, investment, and talent.



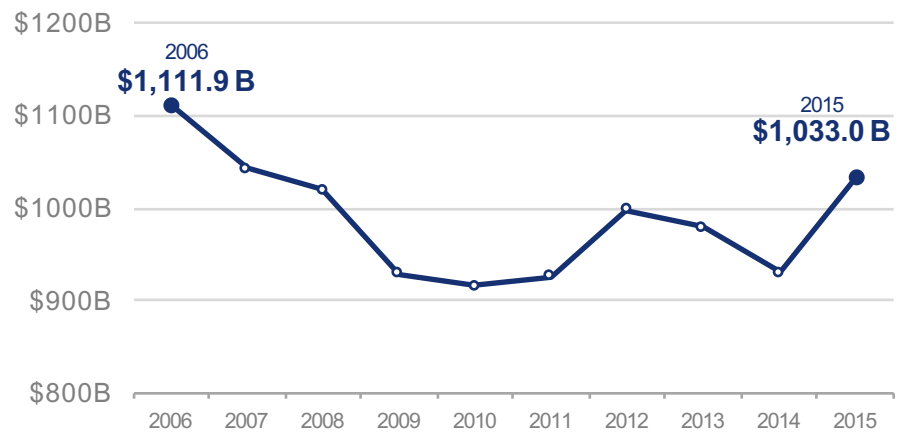
FLORIDA: MADE FOR TRADE
Florida Trade and Logistics Study 2.0

Florida Value of Freight



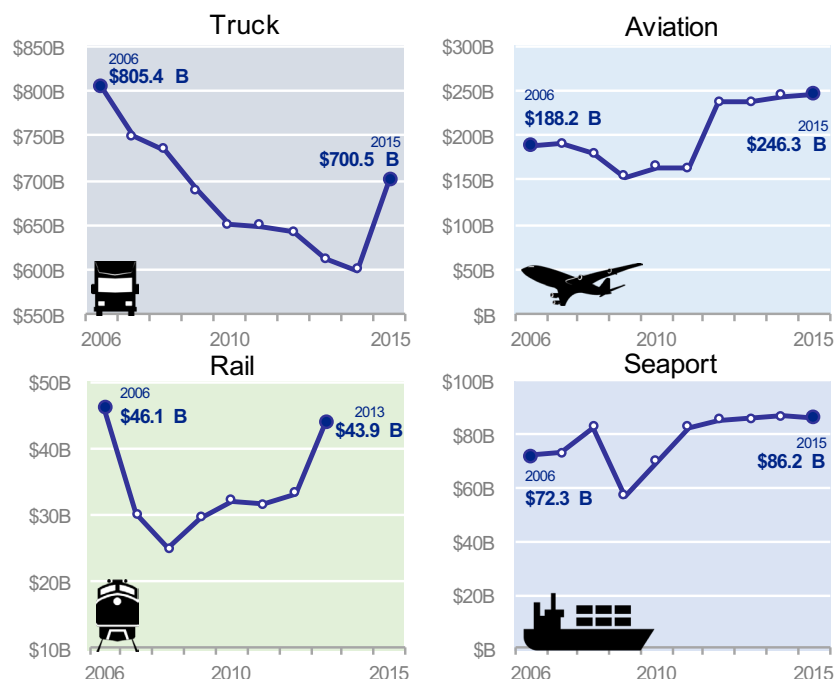
Figure 5a shows the enormous economic value of Florida freight, which is why goods movement is a strategic FDOT priority. **Figure 5b** breaks the freight economic value out by mode with most of the economic value associated with truck movement over Florida's highways. The increase in the value of goods that flow through seaports and airports over the period is notable and affirms Florida's investments in these international gateways.

Figure 5a: Florida Value of Freight (billions)



SOURCE: FDOT Multimodal Mobility Performance Measures Source Book

Figure 5b: Florida Value of Freight by Mode (billions)



SOURCE: FDOT Multimodal Mobility Performance Measures Source Book

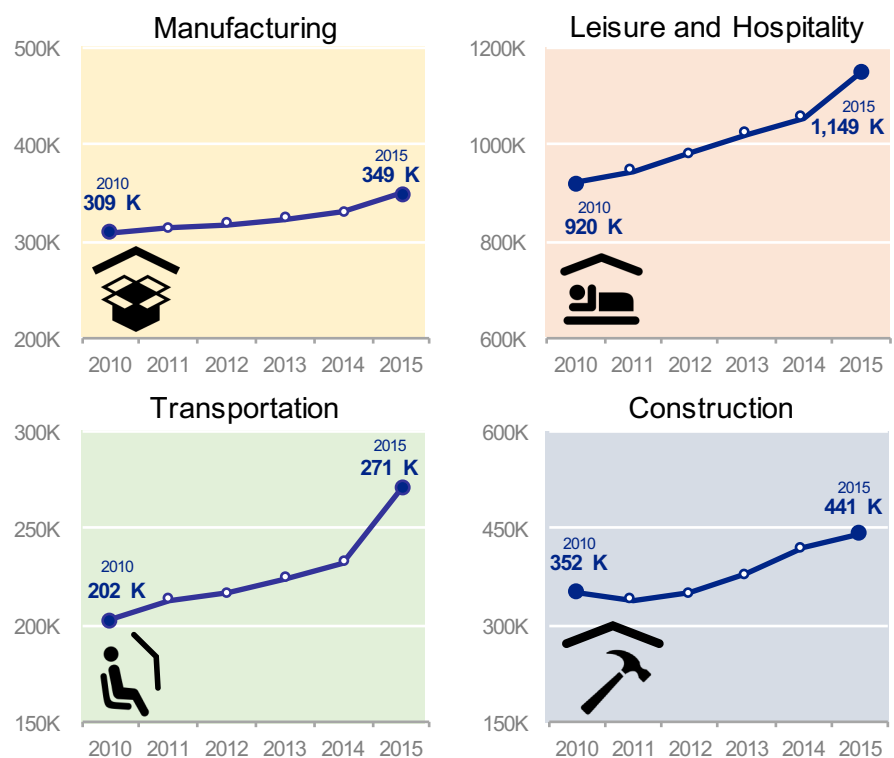
Florida Jobs by Transportation-Intensive Sectors



Figure 6 shows job growth in four sectors that rely heavily on access and mobility to support Florida's long-term population and economic growth.

All four sectors are experiencing healthy growth and provide jobs for many Floridians. Florida's steady growth in manufacturing employment is both notable and encouraging. Construction has also seen a substantial jobs increase (25 percent) since 2010. The growth in transportation employment is particularly noteworthy and is a key focus area of the Florida Transportation Plan.

Figure 6: Florida Jobs by Transportation-Intensive Sector (thousands)



SOURCE: U.S. Department of Labor, Bureau of Labor Statistics, Current Employment Statistics Program. PREPARED BY: Florida Department of Economic Opportunity, Bureau of Labor Market Statistics.

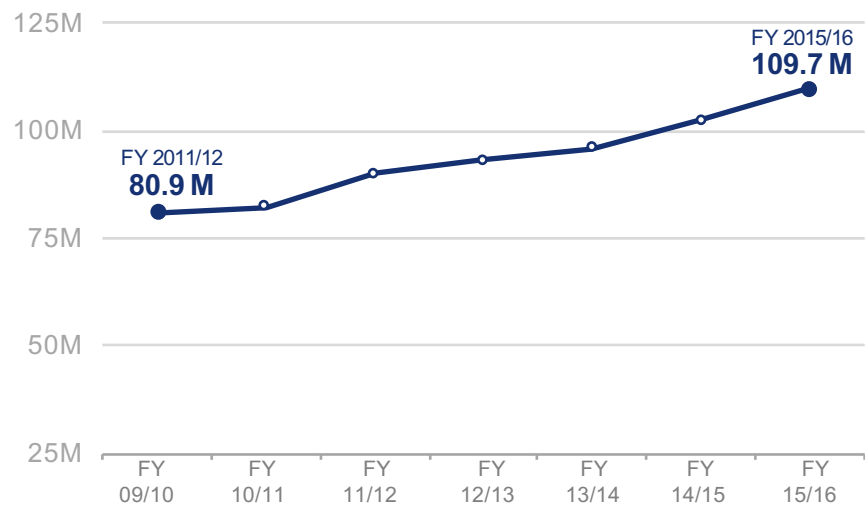
Florida Visitors



As the Sunshine State, Florida is a prime destination for millions of visitors. One in five international visitors to the United States comes to Florida, with visitors arriving from 190 countries. **Figure 7** shows that approximately 110 million people visited Florida in fiscal year 2015/16—that's a 35.6 percent increase in just six years and is more than 5.5 times the population of the state. In fiscal year 2015/16, visitors poured over \$89 billion into Florida's economy—10 percent of the state's gross domestic/state product.

Figure 7: Florida Visitors (millions)

Approximately 110 million people visited Florida in fiscal year 2015/16, which is a 35.6 percent increase in just six years.



SOURCE: Visit Florida Annual Reports

SunRail

SunRail connects many employers with thousands of employees and customers. SunRail is a commuter rail system serving Central Florida that commenced operations in 2014 and had one million passenger trips in 2015. When completed, SunRail will have 17 stations on a 61-mile corridor. Currently, 12 stations are operational. Many SunRail stations are located along bus routes and on Orlando's downtown bus rapid transit system, LYMMO, with connections to sidewalks, bike lanes, and recreational trails. The rail corridor that SunRail operates on is part of the Strategic Intermodal System (SIS), as are five stations that have been designated as SIS hubs. Rail service is scheduled to connect to the Orlando International Airport by 2020.



CONSTRUCTION PROJECTS COMPLETED ON-TIME



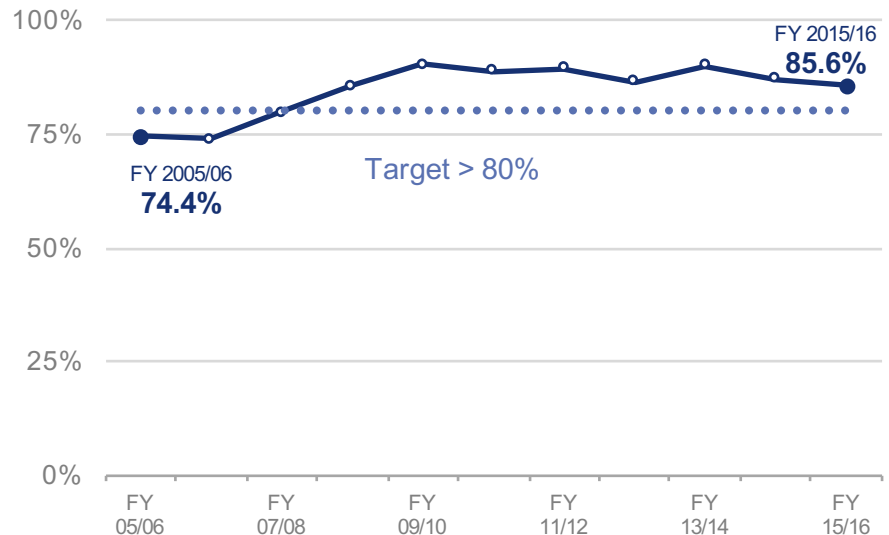
In fiscal year 2015/16 FDOT continued to surpass its 80 percent target for construction projects completed on-time.

This core measure is the percent of FDOT highway and bridge construction contracts completed within 20 percent of the original schedule.

Figure 8 shows that of the 362 construction contracts completed in fiscal year 2015/16, 85.6 percent were completed within 20 percent of the original schedule estimate, which surpassed FDOT's 80 percent target.

By completing projects on time, FDOT and its contractors save time and money for freight shippers and the industries that depend on them, as well as for other road users. Completing projects on time also helps reduce the extent of time delays and cost associated with travel through construction work zones. This reflects FDOT's emphasis on responding to customer needs and priorities.

Figure 8: Construction Projects Completed On-Time



SOURCE: Florida Department of Transportation, Office of Work Program and Budget

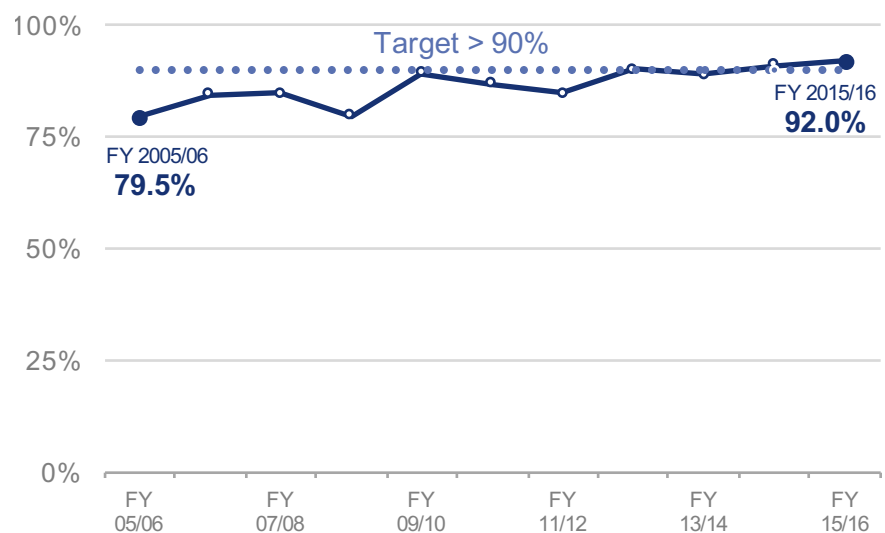
CONSTRUCTION PROJECTS COMPLETED WITHIN BUDGET



Ninety-two (92) percent of FDOT's construction projects in fiscal year 2015/16 were completed within budget, surpassing the department's 90 percent target.

This core measure is the percent of construction contracts completed by FDOT at a cost within 10 percent of the original contract amount. **Figure 9** shows that of the 362 construction contracts completed in fiscal year 2015/16, 92.0 percent were completed within the 10 percent standard, exceeding FDOT's 90 percent target. The ability to complete projects within budget helps to ensure that FDOT can deliver more transportation projects with its limited resources, getting a greater "bang" out of every transportation dollar expended.

Figure 9: Construction Projects Completed within Budget



SOURCE: Florida Department of Transportation, Office of Work Program and Budget

KEY STRATEGIES TO IMPROVE FLORIDA'S ECONOMY

FDOT will continue improving its performance supporting economic competitiveness through strategies such as those listed below.

- Improve the efficiency of connections between transportation hubs and existing and emerging employment centers and visitor destinations.
- Improve terminal infrastructure and expand connectivity to other modes to make Florida's airports and seaports more attractive for investment, including opportunities for more direct international and domestic flights, ferry service and coastal shipping, home port and port-of-call cruise activity, and first-call import and last-call export ocean carrier service.
- Invest in high-capacity public transportation systems that connect Florida's urban centers.
- Coordinate long-term, strategic transportation investments to support development of statewide and regional logistics, manufacturing, and innovation clusters.
- Include economic development opportunities in setting priorities for transportation investment on the SIS and regionally significant transportation facilities.
- Enhance and refine methods to generate better estimates of return on investment (ROI) for major projects. Provide technical assistance to transportation partners seeking to use economic analysis to improve their own decision making processes.
- Promote funding flexibility to respond quickly to economic opportunities—particularly for transportation dependent industries.
- Identify transportation needs, revenues, and shortfalls across all modes—update this information regularly and communicate it broadly to foster a greater understanding of transportation's importance and the ongoing investment needs.
- Maximize the return of federal transportation funds to Florida and the flexibility to use those funds consistent with state, regional, and local priorities.
- Improve the efficiency and connectivity of the supply chain serving Florida's businesses.

Partner Connections

Partner Connections highlights FDOT's recent collaborations with various partner and stakeholder organizations to consider ways to improve our transportation system performance together.

“ Florida seaports generate more than 680,000 direct and indirect jobs and contribute \$96 billion in economic value to the state through cargo and cruise activities.

Christopher Emmanuel
Florida Ports Council

“ Florida's multi-modal infrastructure supports more than 20 million residents and nearly 110 million tourists each year. From road to rail, to airports, seaports and spaceports, Florida will get your people, products and ideas to the world - fast.

Mike Grissom
Enterprise Florida

”

Strategic Economy Partners

Enterprise Florida
Florida Chamber of Commerce
Florida Department of Economic Opportunity
Florida Ports Council
Florida Transportation Builder's Association
Florida Transportation Commission
Florida Trucking Association
Metropolitan Planning Organization Advisory Council
Space Florida
Visit Florida



Note: Many others also assisted



Innovation



Economy

These ideas on innovation, collaboration, and potential measures were identified by FDOT's partners through our first Summit for Transportation Partners held in May 2016 and through the Florida Transportation Plan.

- More direct service at Florida's seaports and airports
- Targeted efforts to develop and retain transportation workforce
- Invest in high-capacity public transportation systems that connect Florida's urban centers
- Position Florida for enhanced public and private investment in the commercial space industry by improving infrastructure assets
- Encourage private-sector companies involved in research, development, manufacturing, and service activities for transportation equipment and technology to locate and expand in Florida
- Build transportation workforce skills to encourage innovation and support new technologies that improve safety and mobility, increase efficiency and reduce cost of project delivery



Collaboration





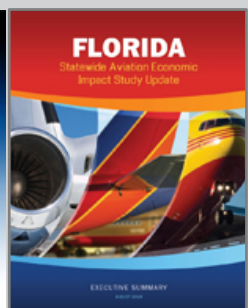


Potential Measures

These ideas on innovation, collaboration, and potential measures were identified by FDOT's partners through our first Summit for Transportation Partners held in May 2016 and through the Florida Transportation Plan.

- Coordinate short-term transportation system maintenance, operations, and capacity decisions with capital investment and job creation activities involving Florida's statewide targeted industries
- Coordinate long-term, strategic transportation investments to support development of statewide and regional logistics, manufacturing, and innovation clusters
- Formalize institutional partnerships and communication protocols among transportation, economic development, tourism, and education/training organizations
- Explore opportunities to combine and pool performance data among organizations
- Number of transportation technology companies located in Florida and doing business worldwide
- Travel time by mode
- Delivery time trends
- Shipping cost trends
- Transportation sector job growth
- DEO and Florida Chamber Economic measures
- Connectivity measures including cost and time savings
- Expanded and improved SIS investments
- Freight bottlenecks reduction

Partner Connection Reports

 <p>The 2016 Seaport Mission Plan highlights cutting-edge investments in Florida ports, that will improve our infrastructure, create new jobs, and attract new businesses.</p>	 <p>The Florida Transportation Plan Vision Element containing trends, uncertainties, and themes that will shape the future of Florida transportation (50 years).</p>	 <p>The Strategic Intermodal System Cost Feasible Plan helps guide decisions about future SIS investments and how priorities are established in light of limited funding.</p>	 <p>The Freight Mobility and Trade Plan will improve the efficiency of freight movement in domestic and global markets.</p>	 <p>The Florida Statewide Aviation Economic Impact Study provides the economic impact associated with aviation facilities.</p>
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